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Market and Trade Data

Move Toward Convenience Marks Italy's HRI Sector

By Dana Biasetti

In 2004, total food spending in Italy topped $214 billion. While food consumed at home still accounts for two-thirds of all food expenditures, eating habits are changing.

As women join the workforce, there is less time for eating meals at home and more money for eating meals out. While Italians are eating out more, they are also eating on the move, upping demand for mini-meals and snacks. Lunch breaks are becoming shorter, as is home food preparation time.

Eating out preferences are shifting--from traditional restaurants to less expensive convenience options. This shift away from traditional restaurants has led Italian importers to seek food products adapted to self-service eateries.

Though microwaves aren't universal in homes yet, they are readily found in many foodservice kitchens, creating demand for microwaveable products.

Culture of Food Lives On

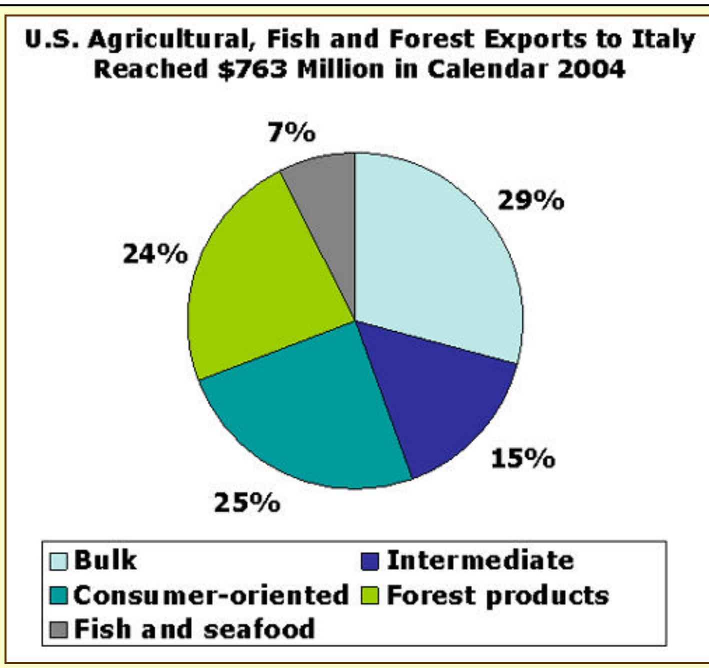
Residents in the world's sixth largest market economy enjoy a per capita annual income of more than $25,000. The population has a longer life expectancy, marries at a later age and averages only 1.26 children per woman.

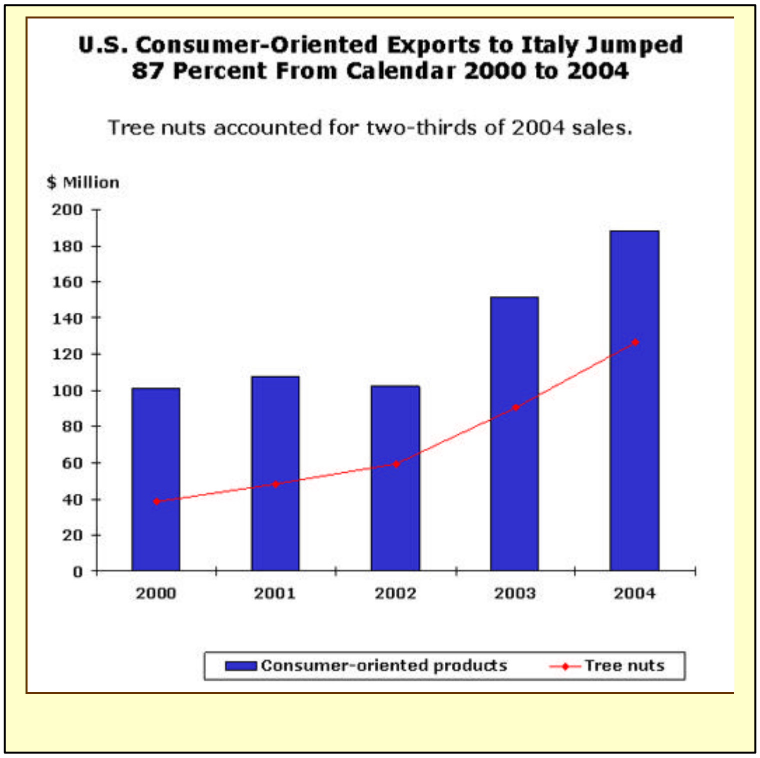
Contrary to trends across Europe, most Italians continue to live in small cities and towns, with the three largest cities—Rome, Milan and Naples—accounting for only a

Italy Banks on Tourism

Every year more than 80 million tourists visit Italy, making it the world's fourth most attractive tourist destination. Italy's HRI (hotel, resident and institutional) sector is second only to the United States in scope.

In 2004, Italy's 58 million residents joined with tourist visitors to spend almost $65.6 billion on meals outside the home.





fifth of the population. This pattern of decentralization is also true of the HRI (hotel, restaurant and institutional) sector, which is characterized by small businesses.

First Steps for New Exporters

Finding an experienced, reputable food importer should be first on the to-do list for new exporters. Italian food importers are usually small- to medium-sized companies that import a broad range of products. Due to this lack of specialization, beginning exporters should consider consolidating shipments with other U.S. suppliers.

Product quality is the most important factor owners or chefs consider when deciding whether to purchase supplies.

Restaurants, hotels and catering companies tend to rely on importers, wholesalers and food manufacturers for their supplies. The smaller trattorias (cafés) and pizzerias, on the other hand, purchase directly from large retail food outlets.

Food service companies usually select their products directly from the importers and distributors.

The North Leads in Restaurants

Italy's industrial north claims 47 percent of the country's restaurants, with 31 percent in the south and the remaining 22 percent in central Italy.

Cafés and bars continue to be the largest segment of the foodservice sector, with coffee being the leading product consumed outside the home, followed by other beverages including alcoholic drinks.

Fast food is becoming one of the most dynamic sectors, often sold at street stalls and kiosks. Home delivery and carry-out are still relatively underdeveloped and include mostly pizza outlets.

The number of self-serve cafeterias remains stable. Most of them are chains strategically located in malls, airports, convenience stores and city centers.

Institutional Sector Possibilities

Sales in the Italian institutional sector are valued at $7.5 billion a year, with 4 million meals served a day. This translates to a meal a day for 7.5 percent of the population—in hospitals, factories, nursing homes, the military or prisons.

The Italian military catering sector is still a relatively untapped market segment worth $560 million yearly.

Competition Mostly Domestic, EU

Italian and EU (European Union) suppliers are the main competitors for U.S. suppliers. A highly developed agricultural sector underpins Italy's status as a leading exporter of consumer-ready and processed foods.

Best Sellers

The youth market is interested in lifestyle foods such as U.S. beer, Tex-Mex, sushi and salted snacks. American packaging for these foods is perceived as trendy and consumer friendly.

Also, U.S. exports of bulk and packaged dried fruits and nuts are consistently best sellers in the HRI market. So are these products:

- wild Alaska salmon
- lobster
- dried plums
- tree nuts
- wheat products
- Tex-Mex and other ethnic foods
- dried beans and lentils

Not yet readily available, these U.S. products hold promise:

- cake mixes
- dressings, sauces and condiments
- beer, including specialty beer
- snacks
- scallops
- chocolate

American-style fast-food chains, buffets and salad bars are gaining popularity in the Italian market. This move towards convenience has led Italian importers to seek out U.S. food products adapted to self-service eateries.

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